



NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Commissioners of St. Mary's County will hold a Public Hearing on **September 12, 2017 at 1:15 pm in the Chesapeake Building located at 41770 Baldrige Street in Leonardtown, Maryland**, to consider a Thirteenth Amendment to the Sheriff's Office Retirement Plan.

Citizens are encouraged to attend and participate in the public hearing.

Note that as a result of the evidence and comments made at the public hearing, amendments may be made to the proposed 13th Amendment.

Written comments, questions and suggestions may be submitted on or before September 19, 2017, to: Commissioners of St. Mary's County, P.O. Box 653, Leonardtown, MD 20650.

Copies of the proposed 13th Amendment are available in the Department of Human Resources, Potomac Building, 3rd floor, 23115 Leonard Hall Drive, Leonardtown, MD 20650, www.stmarysmd.com.

Any reasonable accommodation for persons with disabilities should be requested by contacting the St. Mary's County Public Information Officer at (301) 475-4200, *1342.

COMMISSIONERS OF ST. MARY'S COUNTY

By: Catherine Pratson, Director of Human Resources

**THIRTEENTH AMENDMENT TO THE
ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN**

First Change – The definition of “Employee Contributions Benefit” in Section 1.05(p) shall be amended to read as follows:

(p) *Employee Contributions Benefit*. "Employee Contributions Benefit" means the sum of the following amounts (net of any previous distributions):

- (1) The contributions made by the Participant through salary reduction and "picked up" by the County, as described in Section 3.04(a)(1), (but not 3.04(a)(3)); plus
- (2) The contributions made by the Participant pursuant to Section 3.05 which are not picked up by the County; plus
- (3) The contributions, plus earnings previously credited on such contributions, made by the Participant, pursuant to Section 3.05, through transfer from another Government Employer Retirement Plan, which were not picked up by such Government Employer; plus
- (4) Contributions, plus earnings previously credited on such contributions, made by the Participant, pursuant to Section 3.04(a)(1) (but not 3.04(a)(3), and picked up by another Government Employer, all of which are thereafter transferred to the Plan; plus
- (5) Contributions made by the Participant to this Plan prior to June 23, 1991, which were not picked up by the County; plus
- (6) ~~Interest~~Subject to Section 4.05(e), interest on the amounts described in (1) through (5) above computed on June 30 of each year at 4% per annum.

Second Change – Section 4.05 shall be amended to read as follows:

Section 4.05. Other Terminations of Employment.

(a) *Amount of Termination Benefit*. If a Participant reaches a Termination Date for any reason other than death, retirement or disability, the Participant shall be entitled to an annual termination benefit equal to a vested percentage (determined as set forth below) of the benefit computed pursuant to Section 4.01 (based upon the Participant's actual Years of Credited Service and Average Compensation as of his or her Termination Date).

(b) *Commencement of Termination Benefits*. Benefits payable pursuant to this Section shall commence on the first day of the month coincident with or otherwise next following the Participant's Normal Retirement Date, unless the Participant elects to receive a Cash-Out of his or her Employee Contributions Benefit, as provided in Section 1.07(d), in which case, such Cash-Out may be made at any time following the Termination Date, at the election of the Participant.

(c) *Form of benefits.* Except as otherwise provided in Section 6.03, the benefits payable pursuant to this Section shall be payable in the normal form provided by Section 6.02, unless an optional form of payment has been elected pursuant to Section 6.02.

(d) *Vested Percent of the Accrued Benefit.* Subject to Section 1.07, the vested percentage of the Accrued Benefit to which the Participant is entitled shall be equal to the greater of:

- (1) 100% of the Participant's Employee Contributions Benefit; or
- (2) A percentage of the Participant's Accrued Benefit, determined on the basis of the number of whole years in the Participant's Years of Eligibility Service and in accordance with the following schedule:

Years of Eligibility Service	Percentage Vested
Less than 5	0
5 or more	100

(e) *Termination of Employment without Full Vesting – Cessation of Interest Credit on Employee Contributions Benefit.* Effective on the later of: (1) July 1, 2019, or (2) the July 1 first following the twelve month anniversary of a Participant's Termination Date, and, as to both (1) and (2) above, with respect to a Participant who reaches a Termination Date without receiving credit for at least five Years of Eligibility Service, the interest credit on such Participant's Employee Contributions Benefit described in Section 1.05(p)(6) will cease being added to the Participant's Employee Contributions Benefit. In the event the Participant is subsequently reemployed as a Covered Employee, the interest credit on such Participant's Employee Contributions Benefit will resume as of the first June 30 following the Participant's Reemployment Commencement Date.

Third Change – Section 6.02 shall be amended to read as follows:

Section 6.02. Normal and Optional Forms of Benefit.

The normal form of benefit payment shall be a pension payable monthly for the life of the Participant, beginning with the first day of the month coincident with or next following the Participant's Normal Retirement Date; provided, however, if a Participant who elects to receive payment in the normal form of benefit payment dies before receiving in payments the value of his Employee Contributions Benefit, determined at the time of his Benefit Commencement Date, the balance of the value of his Employee Contributions Benefit shall be paid to his Beneficiary, or if there is no validly designated Beneficiary, in accordance with Section 7.01. A Participant, subject to the conditions provided in this Section 6.02, may elect to receive, in lieu of the normal monthly form of retirement income, one of the following forms:

(a) *Joint and survivor option.*

- (1) The joint and survivor option is a monthly income, ~~reduced in accordance with the appropriate factors set forth in Appendix B,~~ payable during the Participant's lifetime and continuing after the Participant's death at either 50% or 100% (as elected by the Participant) of the rate to his or her Beneficiary for the remainder of such Beneficiary's

life- and which is the Actuarial Equivalent of the normal form of benefit described in this Section 6.02.

- (2) If the Participant's Beneficiary dies before the Participant's Benefit Commencement Date (whether before or after his or her Termination Date), the Participant's election of the Joint and Survivor Option shall become void.
- (3) If the Participant's Beneficiary dies after the Participant's Benefit Commencement Date, or the Participant becomes divorced from the Beneficiary, but before the death of the Participant, the election shall remain effective and the Participant shall continue to receive the reduced retirement income payable to him or her in accordance with the option.

(b) *Lump sum option.* The lump sum option is a Cash-Out of the Participant's Employee Contributions Benefit in lieu of all other benefits under the Plan, as described in Section 1.07(d).

Fourth Change – Appendix B to the Plan will be deleted.

APPENDIX B

**Factors to Convert Normal Form
of Benefit to Joint and Survivor Benefit**

<u>Number of Years</u>	<u>50%</u>	<u>100%</u>
<u>Contingent Annuitant</u>	<u>Joint and</u>	<u>Joint and</u>
<u>Older than Participant</u>	<u>Survivor</u>	<u>Survivor</u>
20	.981	.964
19	.979	.960
18	.977	.955
17	.974	.951
16	.972	.946
15	.970	.942
14	.968	.938
13	.966	.933
12	.963	.929
11	.961	.924
10	.959	.920
9	.955	.914
8	.952	.908
7	.948	.901
6	.945	.895
5	.941	.889
4	.937	.883
3	.934	.877
2	.930	.870
1	.927	.864
Same Age	.923	.858

APPENDIX B
(continued)

Factors to Convert Normal Form
of Benefit to Joint and Survivor Benefit

<u>Number of Years</u> <u>Contingent Annuitant</u> <u>Younger than Participant</u>	<u>50%</u> <u>Joint and</u> <u>Survivor</u>	<u>100%</u> <u>Joint and</u> <u>Survivor</u>
1	.919	.851
2	.915	.844
3	.911	.837
4	.907	.830
5	.903	.823
6	.898	.816
7	.894	.809
8	.890	.802
9	.886	.795
10	.882	.788
11	.878	.782
12	.874	.776
13	.870	.769
14	.866	.763
15	.862	.757
16	.857	.751
17	.853	.745
18	.849	.738
19	.845	.732
20	.841	.726

To obtain the adjusted benefit payable to the participant, the above factor, based on the difference in age between the participant and contingent annuitant and to the option elected, is multiplied by the participant's normal form of benefit (i.e., monthly retirement income for life).

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